

Attorneys for MOLOKAI PUBLIC UTILITIES, INC.

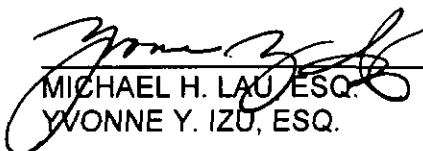
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application)	
)	
of)	
)	Docket No. 2009-0048
MOLOKAI PUBLIC UTILITIES, INC.)	
)	
For review and approval of rate)	
increases; revised rate schedules; and)	
revised rules.)	
_____)	

**MOLOKAI PUBLIC UTILITIES, INC.'S SUPPLEMENTAL RESPONSES
TO WEST MOLOKAI ASSOCIATION'S INITIAL
INFORMATION REQUESTS OF WEST MOLOKAI ASSOCIATION
(WMA-IR-101, WMA-IR-201, WMA-IR-207 and WMA-IR-504)**

COMES NOW, MOLOKAI PUBLIC UTILITIES, INC., by and through its attorneys,
Moriwara Lau & Fong LLP, hereby submits its Supplemental Responses to West Molokai
Association's Initial Information Requests (WMA-IR-101, WMA-IR-201, WMA-IR-207 and
WMA-IR-504) consistent with the Stipulated Regulatory Schedule (Exhibit "A") contained in the
Stipulated Prehearing Order, filed on November 6, 2009.

DATED: Honolulu, Hawaii, December 3, 2009.



MICHAEL H. LAU, ESQ.
YVONNE Y. IZU, ESQ.

Moriwara Lau & Fong LLP
Attorneys for MOLOKAI PUBLIC UTILITIES, INC.

**MOLOKAI PUBLIC UTILITIES, INC.'S SUPPLEMENTAL
RESPONSES TO WEST MOLOKAI ASSOCIATION'S INITIAL
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DOCKET NO. 2009-0048

I. 100-SERIES: ECONOMICS/NORMALIZED DEMANDS FOR WATER

WMA-IR-101 Provide all data in MPU's possession, regarding total water volume sold by MPU, by month and by each tariffed category of service (e.g. 5/8, "1," etc.), for years 2004 through 2008.

**SUPPLEMENTAL
RESPONSE:** See response to CA-IR-82c.

SPONSOR: Robert O'Brien

**MOLOKAI PUBLIC UTILITIES, INC.'S SUPPLEMENTAL
RESPONSES TO WEST MOLOKAI ASSOCIATION'S INITIAL
INFORMATION REQUESTS OF WEST MOLOKAI ASSOCIATION**

DOCKET NO. 2009-0048

I. 200-SERIES: FINANCE AND ACCOUNTING

WMA-IR-201 Provide MPU's "Chart of Accounts," defining the accounts for both MPU and WOM, and explain how each item in each account has been allocated between the two separate utilities, for all items where costs are jointly incurred.

**SUPPLEMENTAL
RESPONSE:** See Attachment WMA-IR-201.

SPONSOR: Robert O'Brien

ATTACHMENT WMA-IR-201

Category List

Category	Account	Description	Alias
Cash	000-101-00	Cash-BOH Checking	00010100
		Total Accounts:	1
Accounts Receivable	000-114-00	Receivables-Water	00011400
	000-118-10	A/R-Kaluakoi Land LLC	00011810
	000-118-20	A/R-Kaluakoi Sewer LLC	00011820
	000-122-03	Due to Mgt Company	
	000-123-25	Due to/From Kal Roads	000-123-25
	000-123-30	Due to/from MRL	00012330
	000-123-50	Due to/From Kaluakoi Residential	00012350
	000-125-00	Due to/from Kaluakoi Water, LLC	00012500
	000-125-15	Due to/from Wai'Ola	00012515
	000-125-30	Due To/From Kal Golf Course	00012530
	000-125-35	Due To/From Kal Poolside	00012535
	000-125-40	Due to/from Kaluakoi Land LLC	00012540
	000-125-45	Due to/From Mosco, Inc.	00012545
	000-126-40	Due to/from Kaluakoi Sewer	00012640
		Total Accounts:	14
Work in Process	000-151-00	Work in Process	00015100
	000-151-10	WIP-MP101 Rate Case	00015110
	000-151-20	WIP-MP102 Meter Replacement	00015120
	000-151-30	WIP-MP103 Well 17 Permit	00015130
	000-151-40	WIP-MP104 Repower Well 17	00015140
	000-151-50	WIP-MP105 Papahaku Ranch Land Bypass	00015150
		Total Accounts:	6
Prepaid Expenses	000-160-00	Prepaid Insurance	00016000
	000-161-00	Prepaid RPT	00016100
	000-162-00	Prepaid Workers Compensation	
	000-163-00	Prepaid	00016300
		Total Accounts:	4
Property, Plant and Equipment	000-168-00	Land	00016800
	000-171-00	Equipment	00017100
	000-176-00	Water Property - MPU	
		Total Accounts:	3
Accumulated Depreciation	000-181-00	Acc. Depn. - Equipment	00018100
	000-186-00	Water Property - Accum Depr. - MPU	
		Total Accounts:	2
Other Assets	000-190-00	Deposits	00019000
		Total Accounts:	1
Accounts Payable	000-200-00	Accounts Payable	00020000
	000-201-00	A/P-Other	
	000-201-10	AP-MRL	
	000-243-00	GET Payable	00024300

Category List

Category

Account
000-244-00

Description
Taxes payable-PUC

Alias
00024400

Total Accounts: 5

Taxes Payable

000-262-00

Real Property Tax Payable

00026200

Total Accounts: 1

Other Current Liabilities

000-210-00
000-211-00
000-212-00
000-213-00
000-215-00
000-216-00
000-217-00
000-218-00
000-218-10
000-218-12
000-218-14
000-218-16
000-218-18
000-218-24
000-219-00
000-261-00

Accrued Payroll
Accrued Vacation
Accrued Pension
Incentive Compensation Accrual
Taxes Payable - FICA
Taxes Payable - SUI
Taxes Payable - FUTA
Payroll Deductions - 401k EE Contrib
Payroll Deductions - Dental
Payroll Deductions - Cancer
Payroll Deductions - AD&D
Payroll Deductions - Medical Reimbursement
Payroll Deductions - Disability
Payroll Deductions - Specified Health
Payroll deductions-Other Union dues, etc.
Deposit Payable

00021000
00021100
00021200
00021300
00021500
00021600
00021700
00021800
00021810
00021812
00021814
00021816
00021818
00021824
00021900
00026100

Total Accounts: 16

Equity

000-280-00
000-280-10
000-290-00

Member I Contribution
Member II Contribution
Common Stock

00028000
00028010

Total Accounts: 3

Additional Paid-in Capital - Common

000-295-00

Additional Paid in Capital

Total Accounts: 1

Retained Earnings

000-299-00

Retained Earnings

00029900

Total Accounts: 1

Sales

100-340-00
100-340-01
100-340-02
100-340-10
100-340-20
100-340-40
100-360-00
100-390-00
100-390-10
100-395-00
100-397-00

Sales
Waiola Revenue-Puunana
Waiola Revenue-Manuwainui
Sales - Residential
Sales - Commercial
Sales - Public Authority
Reconnect Fee
Late Fees
Other income / Installation
Gain/Loss on Disposal
GET Collected

10034000
10034001
10034002
10034010
10034020
10034040
10039000
10039010
10039500

Total Accounts: 11

Cost of Goods Sold

100-440-05
100-440-10

COS 610 Treatment Charges
COS-Waiola to MPU for Moana Makani

10044005

Category List

Category	Account	Description	Alias
		Total Accounts:	2
Administrative Expense			
	100-505-00	Audit & Tax	10050500
	100-515-00	Legal Expenses	
	100-515-01	Legal - Regulatory Matters	10051501
	100-525-00	Other Professional Services	10052500
	100-525-20	Other Professional Svcs-Consultants	10052520
	100-525-30	Other Professional-Pural Water Specialty	10052530
	100-540-00	Lease Rent	
	100-540-11	Lease Rent-Dept of Agriculture	10054011
	100-560-00	Electricity-Other > Palaaau	
	100-560-01	Electricity-Office	10056001
	100-561-00	Water	
	100-562-00	Propane Gas	
	100-570-00	Cleaning & Refuse Services	
	100-575-00	Repair & Maintenance	
	100-590-00	Equipment Rental-MPL Water Assets	10059000
	100-590-01	Equipment Rental-Office	10059001
	100-610-00	Materials & Supplies	
	100-610-01	Materials & Supplies-NOT Office Supplies	10061001
	100-610-10	Materials & Supplies-SmallTools	
	100-610-11	Food Quality Labs	10061011
	100-610-12	Other Chemical & Testing (Labs)	10061012
	100-610-30	M&S-Chemicals	
	100-610-35	M&S-Chemicals-CATFLOC	
	100-611-00	Small Tools	
	100-620-00	Fuel-Gas	
	100-620-01	Fuel-Plant	
	100-620-02	Fuel-Vehicle	
	100-620-10	Fuel-Diesel Vehicles	
	100-620-20	Fuel-Diesel Heavy Eq.	
	100-660-00	Oniforms	
	100-675-00	Travel	
	100-680-00	Meals	
	100-691-00	General Excise Tax	
	100-695-00	Licenses & Fees	
	100-700-00	Administrative & Office	
	100-700-01	Adm & Office-Office Supplies	
	100-710-01	Telephone PWTP 808-552-2230	10071001
	100-710-02	Telephone-PWTP 808-552-0132 (auto-dialer)	10071002
	100-710-03	Telephone Line-Internet	10071003
	100-711-00	Cell Phones/Pagers	
	100-720-00	Postage & Delivery Services	
	100-730-00	Dues & Subscriptions	
	100-740-00	Training & Education	
	100-750-00	Advertising & Promotions	
	100-760-00	Insurance	
	100-770-00	Parking	
	100-795-00	Bad Debt	10079500
		Total Accounts:	47
Salaries Expense			
	100-450-00	Salaries and Wages - Water	
		Total Accounts:	1
Other Employee Expenses			
	100-461-00	Payroll Taxes-FICA	
	100-464-00	Payroll Taxes-FUTA	
	100-467-00	Payroll Taxes-SUI	
	100-470-00	Medical & Dental	

Category List

Category	Account	Description	Alias
	100-475-00	Workers' Compensation	
	100-480-00	TDI	
	100-485-00	Group Life Insurance	
	100-489-00	Union Benefit Expenses	
	100-490-00	Incentive Compensation	
		Total Accounts:	9
Interest Expense	100-860-00	Interest Expense	
		Total Accounts:	1
Tax Expense	100-690-00	Real Property Tax	
	100-692-00	Public Service Tax	
		Total Accounts:	2
Depreciation Expense	100-890-00	Depreciation	
		Total Accounts:	1
Other Expenses	100-515-02	Legal-General Matters	
	100-515-03	Legal - Publication Notices	
	100-525-10	Prof Svc-Outside service	
	100-525-11	Prof Svc-Other than Pural	
	100-540-10	Lease Rent-MIS Pipeline Rental	
	100-560-10	Electricity-Mahana 500HP	10056010
	100-560-11	Electricity-Mahana 200 HP	
	100-560-12	Electricity-Well 17 Light	
	100-560-13	Electricity-Puunana WTP	10056013
	100-575-01	R&M-Plant	
	100-575-02	R&M-Vehicle	
	100-575-03	R&M-Puunana WTP	10057503
	100-590-02	Equipment Rental-R&M	
	100-610-21	Island Air Shipping	10061021
	100-610-22	M&S-Chem & Testing - Young Brothers	
	100-810-00	Transfers-Labor	
	100-811-00	Transfers-Projects & Shop	
	100-812-00	Transfers-Water	
	100-814-00	Transfers-Capital	
	100-816-00	Transfers-Sewer	
	100-819-00	Transfers-Other	
		Total Accounts:	21
Total Categories:	22		

**MOLOKAI PUBLIC UTILITIES, INC.'S SUPPLEMENTAL
RESPONSES TO WEST MOLOKAI ASSOCIATION'S INITIAL
INFORMATION REQUESTS OF WEST MOLOKAI ASSOCIATION**

DOCKET NO. 2009-0048

WMA-IR-207

In Re: Exhibit MPU-2, Schedule 4. This exhibit states: "In 2008, the company recorded water sales of \$166,273 to affiliated entities. Provide the names of the entities, the volumes, for each entity, by month, for 2008.

**SUPPLEMENTAL
RESPONSE:**

The \$166,273 is comprised of water sales to:

• Kaluakoi Golf	\$112,841
• Waiola O Molokai	24,260
• Poolside (Hotel)	28,181
• Molokai Properties Ltd.	991
• o TOTAL	<u>\$166,273</u>

The 166,273 reflected in the audit report was intended to show the intercompany sales from MPU to Wai'ola O Moloka'i, Kaluakoi Golf, Poolside (Hotel) and MPL for the 12 months ended December 31, 2008. However, due to an error summarizing the data, the \$166,273 actually reflects the intercompany sales for the 6 months ended June 30, 2008 doubled and includes water sales from MPL (not MPU) to WOM for those months. The correct intercompany sales from MPU for the 12 months ended December 31, 2008 for each of the above customers was:

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WMA-IR-207 (cont.)

• Kaluakoi Golf	\$ 60,961
• Waiola O Molokai	4,857
• Poolside (Hotel)	46,164
• Molokai Properties Ltd.	<u>1,216</u>
○ TOTAL	\$113,198

The above total does not include tariff billings from MPU to WOM for water delivered at Kualapuu under MPU's tariff rate in the amount of \$30,026 for 2008. In addition, the amount shown for Wai'ola O Moloka'i of \$4,857 represents charges for water treatment at the Puunana Water Treatment facility only for the month of December 2008. The months prior to December 2008 were charged by MPL and therefore should not have been included in a summary of the intercompany revenue for MPU.

SPONSOR: Robert O'Brien

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DOCKET NO. 2009-0048

WMA-IR-504

In Re: to Exhibit MPU 2, Schedule 4, Page 4. It is indicated that the total allocated costs amount to \$48,763. Going beyond the detail in Note 5, describe how this amount was derived [other than statements that it was salaries and wages (\$15,939), fuel (\$7,558), and "other" (\$25,266)].

**SUPPLEMENTAL
RESPONSE:**

These amounts represent portions of the charges from MPL for services performed for MPU during the 12 months ended December 31, 2008. These charges would be reflected on in the expenses shown on Exhibit MPU 10.4, lines 6 to 14 or on the other expense exhibits included as Exhibits MPU 10.5 to 10.11. Since the audit report was for the 12 months ended December 31, 2008, only a portion of these charges were included in column 6 of Exhibit MPU 10.4. Some of the charges would have been reflected in the expenses for the fiscal year ended June 30, 2008 and others in the fiscal year ended June 30, 2009. The total amount of \$48,763 for the 12 months ended December 31, 2008 reflects the following types of expenses:

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WMA-IR-504 (cont.)

• S&W (line 6)	\$ 2,565
• Emp Ben & PR Tax (lines 7 & 8)	<u>13,374</u>
○ Total S&W	<u>\$15,939</u>
• Fuel Charges	<u>\$ 7,558</u>
• Rental Expense (Not in TY)	\$ 4,686
• Auto R&M (line 10)	927
• Administrative Expense (Exh 10.6)	6,507
• Communications (line 17)	702
• Postage (line 16)	1,203
• Insurance (line 13)	6,245
• Depreciation (Not in TY)	3,990
• Other	<u>766</u>
○ Total Other	<u>\$25,266</u>
▪ TOTAL	\$48,763

SPONSOR: Robert O'Brien

CERTIFICATE OF SERVICE

I (we) hereby certify that copies of the foregoing document were duly served on the following parties, by having said copies delivered as set forth below:

MS. CATHERINE P. AWAKUNI Executive Director Department of Commerce and Consumer Affairs Division of Consumer Advocacy 335 Merchant Street, Suite 326 Honolulu, Hawaii 96813	3 copies Hand Deliver
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MARGERY S. BRONSTER, ESQ. JEANNETTE H. CASTAGNETTI, ESQ. Bronster Hoshibata 2300 Pauahi Tower 1003 Bishop Street Honolulu, HI 96813	1 copy Hand Deliver
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Attorneys for the COUNTY OF MAUI

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Attorney for WEST MOLOKAI ASSOCIATION

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Attorney for MOLOKAI PROPERTIES LIMITED

DATED: Honolulu, Hawai'i, December 3, 2009.



MICHAEL H. LAU, ESQ.
YVONNE Y. IZU, ESQ.

Moriwara Lau & Fong LLP
Attorneys for MOLOKAI PUBLIC UTILITIES, INC.